

ITEL

RECORDATION NO.

14548-H
Filed 1426

October 8, 1987

OCT 15 1987 - 10 40 AM

INTERSTATE COMMERCE COMMISSION

Istel Rail Corporation55 Francisco Street
San Francisco, California 94133
(415) 984-4000Date 10/15/87
Fee \$ 20.00

ICC Washington, D. C.

Hon. Noreta R. McGee
Secretary
Interstate Commerce Commission
Washington, DC 20423

Re: Amendment No. 2 dated September 1, 1987, to the Sublease Agreement dated as of September 24, 1984, as amended, between Istel Rail Corporation and MidLouisiana Rail Corporation

Dear Ms. McGee:

On behalf of Istel Rail Corporation, the above instrument, in four (4) counterparts, is hereby submitted for filing and recording pursuant to 49 U.S.C. Section 11303(a), along with the \$20 recordation fee.

Please record this Amendment under the Sublease Agreement dated as of September 24, 1984, as amended, between Istel Rail Corporation, as successor in interest to East Camden and Highland Railroad Company, and MidLouisiana Rail Corporation ("MLRC"), as successor in interest to North Louisiana and Gulf Railroad Company ("NLG"), which was filed with the ICC on January 15, 1985, under Recordation No. 14548. Please cross-index this Amendment to the Equipment Trust Agreement dated January 1, 1982, between Istel Corporation and First Security Bank of Utah, N.A., which was filed with the ICC on September 23, 1983, under Recordation No. 14165.

The parties to the aforementioned instrument are listed below:

Istel Rail Corporation (Sublessor)
55 Francisco Street
San Francisco, California 94133

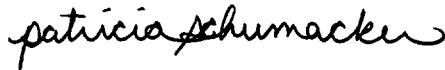
MidLouisiana Rail Corporation (Sublessee)
111 E. Capitol Street
Jackson, Mississippi 39201

The Amendment amends certain provisions of the Sublease, concurrent with NLG's assignment of its rights and obligations under the Sublease to Sublessee with respect to seventy-eight (78) boxcars described therein, which boxcars are to be remarked to MLRC reporting marks.

Hon. Noreta R. McGee
October 8, 1987
Page Two

Please return to the undersigned the stamped counterparts not required for filing purposes, together with the ICC fee receipt and acknowledgment letter.

Very truly yours,

A handwritten signature in cursive script that reads "patricia schumacker". The signature is written in dark ink and is positioned above the typed name.

Patricia Schumacker
Legal Department

:ps
Enclosures

cc: Ginny Hanger

08/24/87

RECORDATION NO. 1454874 Filed 10/15/87

OCT 15 1987 - 10 40 AM

INTERSTATE COMMERCE COMMISSION

AMENDMENT NO. 2

THIS AMENDMENT NO. 2 (the "Amendment") to that certain Sublease Agreement dated as of September 24, 1984, as amended, (the "Sublease") between ITEL RAIL CORPORATION ("Sublessor"), as successor in interest to East Camden and Highland Railroad Company and MIDLOUISIANA RAIL CORPORATION ("Lessee"), as successor in interest to North Louisiana and Gulf Railroad Company, is made as of this 1st day of September, 1987, between Sublessor and MidLouisiana Rail Corporation.

R E C I T A L S:

- A. East Camden and Highland Railroad Company ("EACH") and North Louisiana and Gulf Railroad Company ("NLG") entered into the Sublease pursuant to which eighty (80) boxcars bearing the reporting marks NLG 5601-5650 and NLG 7150-7179 (the "Cars") were subleased by EACH to NLG.
- B. The Cars bearing the reporting marks NLG 7168 and NLG 7176 were both destroyed on January 23, 1986.
- C. Effective as of July 24, 1987, EACH assigned all of its rights and obligations under the Sublease, as sublessor, to Sublessor and, effective as of September 1, 1987, NLG assigned all of its rights and obligations under the Sublease, as sublessee, to Sublessee.
- D. Sublessor and Sublessee desire to amend certain provisions of the Sublease, concurrent with NLG's assignment of its rights and obligations under the Sublease to Sublessee.

NOW, THEREFORE, the parties hereto agree to amend the Sublease as follows:

1. All terms defined in the Sublease shall have their defined meanings when used in this Amendment.
2. This Amendment shall be effective as of September 1, 1987.
3. Equipment Schedule No. 1 to the Sublease is replaced by Equipment Schedule No. 1.A. attached hereto.
4. The sentence:

"All insurance shall be taken out in the name of Sublessee and shall name Sublessor and any assignee of Sublessor as additional named insureds and shall also list Sublessor and any assignee of Sublessor as loss-payees on the insurance policies."

ASSIGNED TO FIRST SECURITY BANK
OF UTAH, N.A., TRUSTEE, UNDER
A LEASE ASSIGNMENT.

THIS INSTRUMENT IS SUBJECT TO A SECURITY INTEREST IN
FAVOR OF HELLER FINANCIAL, INC. UNDER THE HELLER
FINANCIAL, INC. LOAN AND SECURITY AGREEMENT WITH ITEL
RAIL CORPORATION DATED AS OF SEPTEMBER 30, 1986.

in Subsection 5.C. of the Sublease is replaced by the sentence:

"All insurance shall be taken out in the name of Sublessee and shall name Sublessor, Heller Financial, Inc., and any assignee of Sublessor as additional named insureds and shall also list Sublessor, Heller Financial, Inc., and any assignee of Sublessor as loss-payees on the insurance policies."

5. The following changes are made to Section 7 of the Sublease:

a. The words "earned and due from other railroad companies for the use or handling of the Cars" in Subsections 7.A.(i) and 7.A.(ii) are replaced by the words "earned and due with respect to the use or handling of the Cars while such Cars are on railroad lines other than the lines actually owned or operated, as of February 1, 1987, by North Louisiana and Gulf Railroad Company or Central Louisiana & Gulf Railroad Company ('Eligible Lines')" each time such words appear.

b. The last sentence of Subsection 7.A.(i) is replaced by the following:

"The rental rate in determining Per Diem Revenues shall be the hourly car hire rate prescribed for excluded boxcars under the Interstate Commerce Commission's decision in ICC Ex Parte No. 346, Sub-No. 19 served September 12, 1986, set forth in the Appendix to such decision in paragraph (c)(3) of 49 C.F.R. 1039.14."

c. The last sentence of Subsection 7.A.(ii) is replaced by the following:

"The rental rate in determining Mileage Revenues shall be the mileage car hire rate prescribed for excluded boxcars under the Interstate Commerce Commission's decision in ICC Ex Parte No. 346, Sub-No. 19 served September 12, 1986, set forth in the Appendix to such decision in paragraph (c)(3) of 49 C.F.R. 1039.14."

d. A new Subsection 7.C.(v) is added as follows:

"(v) In the event that Sublessor shall receive rentals for the use of such Cars during the term of this Sublease calculated at rates that are lower than those specified for excluded boxcars as provided in Subsection 7.A.(i) or Subsection 7.A.(ii) Sublessee shall ensure that Sublessor receives the amount of revenues such Cars would have earned in the same mileage and hourly service under the rates for excluded boxcars as provided in such Subsection."

AS A RESULT OF ANY
ACTION OR INACTION OF
LESSOR & L

6. The words "entered into by Itel Rail in connection with the acquisition of the Cars" in Subsection 8.A. of the Sublease are replaced by the words "pursuant to which Itel Rail's obligations thereunder are or become secured by the Cars".

- MAY EDM ADIA*
7. Sublessee ~~shall~~, at its sole expense, remark each Car to bear reporting marks from within the series MLRC 5601-5650, MLRC 7150-7160, MLRC 7169-7175 and MLRC 7177-7179. In the event Sublessee has not remarked all of the Cars as of the date that "NLG" reporting marks are rendered invalid by the AAR and, as a result, Per Diem Revenues or Mileage Revenues are not earned with respect to any Car(s) while such Car(s) are handled by any railroad(s) (except while the Cars are on the Eligible Lines), then Sublessee shall pay to Sublessor an amount equal to the Per Diem Revenues and Mileage Revenues that such Car(s) would have earned if the "NLG" reporting marks were valid while such Car(s) were handled by such railroad(s). Upon the remark of all Cars, Sublessee shall provide Sublessor with a Certificate of Remark, in the form of Schedule A attached hereto.
 8. Subject to Sublessor's approval of the plans and specifications for repainting the Cars, at the time of remark (as described in Section 7 hereinabove) Sublessee may, at its sole option and expense, repaint each Car. If the number of days any Car is not available for service due to such repaint and remark exceeds fifteen (15) days ('Maximum Days'), then for each day in excess of the Maximum Days for such Car, Sublessee shall pay to Sublessor a sum equal to the Per Diem Revenues and Mileage Revenues such Car would have earned during such day if such Car had been on lines other than the Eligible Lines and had travelled eighty-six miles per day (86 mpd).
 9. Except as expressly modified by this Amendment, all terms and provisions of the Sublease shall remain in full force and effect.
 10. This Amendment may be executed by the parties hereto in any number of counterparts and all such counterparts taken together shall be deemed to constitute one and the same instrument.

ITEL RAIL CORPORATION

By: *EDM*
Title: *President*
Date: *10/1/87*

MIDLOUISIANA RAIL CORPORATION

By: *E.V. Mayers*
Title: *PRESIDENT & CO.*
Date: *9-22-87*

Schedule A

CERTIFICATE OF REMARK

Previous NLG
Reporting Marks

New MLRC
Reporting Marks

Date
Remarked

NLG 5601
NLG 5602
NLG 5603
NLG 5604
NLG 5605
NLG 5606
NLG 5607
NLG 5608
NLG 5609
NLG 5610
NLG 5611
NLG 5612
NLG 5613
NLG 5614
NLG 5615
NLG 5616
NLG 5617
NLG 5618
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NLG 5648

Schedule A (continued)

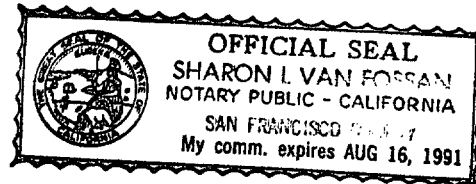
CERTIFICATE OF REMARK

<u>Previous NLG Reporting Marks</u>	<u>New MLRC Reporting Marks</u>	<u>Date Remarked</u>
NLG 5649		
NLG 5650		
NLG 7150		
NLG 7151		
NLG 7152		
NLG 7153		
NLG 7154		
NLG 7155		
NLG 7156		
NLG 7157		
NLG 7158		
NLG 7159		
NLG 7160		
NLG 7161		
NLG 7162		
NLG 7163		
NLG 7164		
NLG 7165		
NLG 7166		
NLG 7167		
NLG 7169		
NLG 7170		
NLG 7171		
NLG 7172		
NLG 7173		
NLG 7174		
NLG 7175		
NLG 7177		
NLG 7178		
NLG 7179		

STATE OF CALIFORNIA)
) ss:
COUNTY OF SAN FRANCISCO)

On this 1st day of October, 1987, before me personally appeared Desmond P. Hayes, to me personally known, who being by me duly sworn says that such person is President of Itel Rail Corporation, that the foregoing Amendment No. 2 was signed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Sharon L. Van Fossan
Notary Public



STATE OF Mississippi)
) ss:
COUNTY OF Hinds)

On this 22nd day of September, 1987, before me personally appeared E. L. Hayers, to me personally known, who being by me duly sworn says that such person is President & CEO of MidLouisiana Rail Corporation, that the foregoing Amendment No. 2 was signed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Lydia T. Holland
Notary Public

My Commission Expires August 11, 1990

EQUIPMENT SCHEDULE NO. 1.A.

Itel Rail Corporation, as successor in interest to East Camden and Highland Railroad Company subleases the following Cars to MidLouisiana Rail Corporation, as successor in interest to North Louisiana and Gulf Railroad Company, subject to the terms and conditions of that certain Sublease Agreement dated as of September 24, 1984, as amended.

A.A.R. Mech. Desig.	Description	Numbers	Length	Dimensions		Height	Doors Width	No. of Cars
				Inside Width	Width			
XM	60', 100-Ton, Plate C Boxcar, 15" End-of-Car Cushioning	NLG 7150-7167, 7169-7175, 7177-7179	60'10"	9'6"		11'0"	12' Plug	28

This Schedule replaces Equipment Scheudle No. 1, which was executed as of November 13, 1984.

ITEL RAIL CORPORATION

By: *E.D. Mayers*

Title: *President*

Date: *10/1/87*

MIDLOUISIANA RAIL CORPORATION

By: *E.D. Mayers*

Title: *PRESIDENT & CEO*

Date: *9-22-87*

STATE OF CALIFORNIA)
) ss:
COUNTY OF SAN FRANCISCO)

On this 1st day of October, 1987, before me personally appeared Desmond P. Hayes, to me personally known, who being by me duly sworn says that such person is President of Itel Rail Corporation, that the foregoing Equipment Schedule No. 1.A. was signed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Sharon L. Van Fossan
Notary Public



STATE OF Mississippi)
) ss:
COUNTY OF Hinds)

On this 22nd day of September, 1987, before me personally appeared E. L. Mayers, to me personally known, who being by me duly sworn says that such person is President & CEO of MidLouisiana Rail Corporation, that the foregoing Equipment Schedule No. 1.A. was signed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Sylvia W. Hallane
Notary Public

My Commission Expires August 11, 1990